



The Commonwealth of Massachusetts
House of Representatives
State House, Boston 02133-1054

BRIAN S. DEMPSEY
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CHAIRMAN
Committee on Ways and Means

September 10, 2014

The Honorable Janet L. Sanders
Attn: Antitrust Division
Office of the Attorney General
One Ashburton Place, 18th Floor
Boston, MA 02108

Re: *Commonwealth of Massachusetts v. Partners Health Care System, Inc., South Shore Health and Educational Corp., and Hallmark Health Corp.*, Superior Court Civil Action No. 14-2033-BLS

Dear Judge Sanders:

I am writing in support of the agreement that has been submitted for your approval by the Attorney General and Partners Health Care System.

In 2012, as the Chairman of the House Ways and Means Committee, I participated in the development and approval of Chapter 224 – a major legislative undertaking aimed at further reforming our health care system here in Massachusetts and reducing costs. The law was the culmination of a painstaking process that engaged health care policy experts, regulators and stakeholders from across the Commonwealth and beyond. In addition to establishing a historic cost growth benchmark, the law sought to reduce costs and improve quality by encouraging the widespread adoption of alternative payment methodologies, patient-centered medical homes, accountable care organizations, and population health management strategies.

As an additional safeguard to ensure that consolidation among hospitals, physician organizations, and health systems would not result in unintended consequences, the law set forth a framework by which certain mergers, affiliations and other transactions could be reviewed in great detail by the Health Policy Commission and referred to the Attorney General, if warranted. The Attorney General would have the discretion, based on her authority and prosecutorial discretion, to challenge the matter in court.

In this particular case, I would suggest that the process played itself out exactly as had been intended by the legislature. I commend the Health Policy Commission, which performed a thorough analysis of the proposed transactions and subsequently referred the matter to the Attorney General. I also commend the Attorney General for negotiating an agreement with Partners that will yield many positive benefits for patients of the hospitals and the broader marketplace, which would not otherwise have come to fruition had she filed suit to block the mergers in court. The agreement would impose some very strong conditions on Partners, which among other things would prohibit further acquisitions, impose price caps, and levy financial penalties if the system fails to reign in health care spending (i.e. Total Medical Expenses).

Furthermore, the proposed transactions will help to ensure greater financial stability for South Shore Hospital, Melrose Wakefield Hospital, and Lawrence Memorial Hospital – allowing them to continue to provide care to patients closer to their homes, employing thousands of area residents, and fueling their respective local economies. As you consider the settlement, and the various public comments that you have, I urge you to give particular weight to the local communities who have voiced their support for these transactions, and who stand to benefit the most from them.

Thank you in advance for your time and attention to this matter.

Sincerely,

A handwritten signature in dark ink, appearing to read "Brian S. Dempsey". The signature is fluid and cursive, with the first name "Brian" and last name "Dempsey" clearly distinguishable.

Brian S. Dempsey
State Representative
Third Essex District